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BY THE COMPTROLLER GENERAL

Report To The Chairman Committee On Government Operations House Of Representatives

OF THE UNITED STATES

Solving Social Security's Computer Problems: Comprehensive Corrective Action Plan And Better Management Needed

Social Security's daily operations and service to the public are being threatened by serious problems in its computer operations. The agency itself says it is facing a crisis in managing its computer systems.

These problems are the result of longstanding systems planning and management weaknesses at Social Security, which GAO has discussed in numerous reports issued since 1974. These reports have disclosed deficiencies in agency and systems planning, software and systems development, equipment acquisition and operation, and privacy protection and security of records and systems.

Social Security is developing a comprehensive plan to resolve its computer problems. This report summarizes prior GAO findings and presents recommendations to the Secretary of Health and Human Services to help the agency develop an effective plan and implement it successfully.

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COMPTROLLER GENERAL'S REPORT TO THE CHAIRMAN, HOUSE COMMITTEE ON GOVERNMENT OPERATIONS

SOLVING SOCIAL SECURITY'S COMPUTER PROBLEMS: COMPREHENSIVE CORRECTIVE ACTION PLAN AND BETTER MANAGEMENT NEEDED

D I G E S T

The Social Security Administration's (SSA's) automatic data processing (ADP) operations continue to be plagued by serious problems. SSA and the Department of Health and Human Services (HHS) agreed in May 1981 that inefficient computer software, inadequate hardware capacity, and systems personnel deficiencies have created an ADP systems crisis at the agency. GAO's work has confirmed major problems in these areas and has also noted continuing privacy protection and security deficiencies within SSA's ADP systems operations. (See pp. 31 to 35.) These problems have combined to create an ADP environment in which SSA systems managers react to day-to-day crises rather than use planned approaches for solving ADP problems. (See pp. 35 and 36.)

This report is in response to a request from the Chairman, House Committee on Government Operations, for a comprehensive review of SSA's ADP systems planning and development, including a detailed analysis of the agency's plans to upgrade its telecommunications network.

A LONGSTANDING PROBLEM

SSA's current ADP problems evolved over a long time because of numerous, varied, and recurring planning and management weaknesses. Since 1974 GAO has issued 32 reports discussing inadequate ADP-related planning, improper development and modification of systems and software, deficiencies in equipment acquisition and operation, and the failure to provide adequate privacy protection and security for personal records and systems components. (See pp. 4 to 15.) SSA, however, has not acted effectively to correct many systems problems GAO and other organizations identified. (See p. 15.) As a result, serious systems problems persist at SSA. (See p. 4 and pp. 31 to 35.)

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SSA has not always maximized its use of competitive procurement procedures when acquiring ADP and telecommunications resources. (See pp. 17 to 20.) GAO believes SSA can increase competition in its acquisitions while still providing for needed system compatibility. (See pp. 20 to 22.)

SSA's telecommunications network upgrade plan called for acquiring nonprogrammable terminals and upgrading concentrators (minicomputers which help link terminals with main computers). In October 1979 GAO recommended that SSA revise its upgrade plan to provide for acquiring programmable terminals in order to ensure future system flexibility. GAO believed that certain manual workloads in SSA field offices could be automated using programmable terminals, resulting in substantial reductions in field office operating costs as well as improved telecommunications system performance. (See pp. 25 and 26.) Although initially reluctant to modify its terminal upgrade approach, SSA eventually did so. (See pp. 26 to 28.) The agency has since identified potential savings of more than $133 million as a result of this change. (See pp. 28 and 29.) However, based on its review of SSA's planned concentrator upgrade, GAO believes that using the resulting increase in concentrator capacity to process future applications software--which SSA is considering--may be detrimental to the agency. (See pp. 29 and 30.)

To solve its ADP systems problems SSA must implement a comprehensive corrective action plan and substantially improve management of ADP activities. SSA has begun developing an action plan, but it was not completed at the time of GAO's review. Provisions of the Paperwork Reduction Act of 1980 should enhance the likelihood of SSA receiving the executive branch support and assistance it needs to solve these problems. (See pp. 36 to 38.)

CONCLUSIONS, RECOMMENDATIONS, AND MATTER FOR CONSIDERATION BY THE CONGRESS

GAO believes that support and assistance from executive branch agencies and the Congress

will be required for SSA to develop an effective corrective action plan and implement it successfully. (See p. 39.)

In view of SSA's past difficulties in solving its ADP problems, GAO believes that the Congress should periodically review the agency's efforts to develop and implement its ADP corrective action plan.

To help SSA develop and finalize its plan, GAO recommends that the Secretary direct the agency to:

--Supplement existing systems staff with outside ADP support wherever applicable, but especially for the rewriting of existing application software and the development of new application programs. In all such cases, however, SSA should correctly determine the status of software development at the point of contracting and then develop and manage the contracts very carefully.

--Reexamine current large-scale systems, identify those having poor equipment configurations causing excessive overhead, and reconfigure this equipment wherever possible.

--Carefully screen prospective suppliers of computer time to make sure they can provide adequate privacy protection and security for SSA data.

--Complete the structuring of SSA's comprehensive long-range planning process.

--Begin to plan for completely redesigning SSA's major ADP systems, including competitive replacement of hardware, to correspond with the overall agencywide plan.

--Determine whether the potential disadvantages associated with processing future application programs in the concentrators outweigh advantages of this approach, before deciding where in the telecommunications network such applications may be processed.

GAO also recommends that the Secretary review all prior GAO recommendations for improving SSA's systems and implement those still applicable. HHS should similarly review the numerous other systems studies performed at SSA and implement their recommendations as appropriate, especially those directed to solving recurring problems.

AGENCY COMMENTS

As requested by the Chairman, House Committee on Government Operations, GAO did not obtain official agency comments on this report.

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ABBREVIATIONS

ADP	automatic data processing
AFDC	Aid to Families with Dependent Children
ARS	Advanced Record System
DPA	Delegation of Procurement Authority
FAMIS	Family Assistance Management Information System
GAO	General Accounting Office
GSA	General Services Administration
HEW	Department of Health, Education, and Welfare
HHS	Department of Health and Human Services
IBM	International Business Machines
NRS	National Recipient System
OMB	Office of Management and Budget
RSDI	Retirement, Survivors, and Disability Insurance
SSA	Social Security Administration
SSADARS	Social Security Administration Data Acquisition and Response System
SSI	Supplemental Security Income
SSN	social security number